

Internet Purchases of Cigarettes shipped into Utah

Internet retailers, in accordance with the federal Jenkins Act, are providing the Utah State Tax Commission sales data detailing their respective shipments of cigarettes and other tobacco products into Utah.

Cigarette Stamp Tax

According to Utah Code Section 59-14-204, a tax is levied upon the sale, use, storage, or distribution of cigarettes in Utah. The manufacturer, jobber, distributor, wholesaler, retailer, user, or consumer in the state shall pay this tax. In addition, effective July 1, 2004, an equity assessment was levied on each cigarette manufactured by a manufacturer who is not a participant in the settlement agreement (referred to as an NPM) negotiated by the state with leading tobacco manufacturers in 1998 under Utah Code Section 59-14-205. See Publication 51 <http://tax.utah.gov/forms/pubs/pub-51.html> for the list of approved NPM product in Utah. See form TC-720 for the tax rates <http://tax.utah.gov/forms/current/tc-720.pdf>.

Tobacco Products Tax

According to Utah Code Section 59-14-302 a tax is levied upon the sale, use, or storage of tobacco products (other than cigarettes) in Utah. The manufacturer, jobber, distributor, wholesaler, retailer, user, or consumer in the state shall pay this tax. See form TC-720 for the tax rate <http://tax.utah.gov/forms/current/tc-720.pdf>.

Cigarette and Tobacco Products Reporting Requirement

If cigarettes or other tobacco products are purchased outside the state for use, storage, or consumption within Utah, the user, storer, or consumer must pay the tax to the Utah State Tax Commission. Form TC-720 must be filed and the taxes paid no later than 15 days from the date the unstamped cigarettes or tobacco products are imported into Utah (See Administrative Rules R865-20T-1 and R865-20T-2). The failure to file this required return within the time prescribed above may result in a non-filing penalty of the greater of \$20 or 10% of the unpaid tax due on the return.

Sales and Use Tax

In addition, the purchase of cigarettes or tobacco products from an Internet retailer is subject to use tax if the vendor did not charge you sales tax on the original transaction. Use tax is a tax on goods or taxable services purchased for use, storage or other consumption in Utah. If you purchase any item from an out-of-state retailer for use in Utah and the retailer does not collect the tax, you must pay the use tax directly to the Tax Commission.

- If the tax amount exceeds \$400 annually, you are required to register and report the use tax on a Sales and Use Tax Return (Form TC-61).
- If the use tax does not exceed \$400 annually, you may report the use tax on your personal Utah Individual Income Tax Return (Form TC-40).